

Economic Development Activities

This section of the 2011 CDBG Application form should be used by local governments, non-profit and for-profit agencies to request CDBG funds for projects involving economic development activities that support the goals and strategies outlined in the 2010-2012 Consolidated Housing and Community Development Plan. Projects will be awarded funding in 2011 and must be completed by December 31, 2011.

Economic Development activities will be carried out pursuant to the following principles per the Consolidated Plan. The strategies under this objective will be consistent with the regional economic development vision contained in the updated Countywide Planning Policies. Assistance to for-profit businesses will be provided in a manner that maximizes public benefits, minimizes public costs, minimizes direct financial assistance to the business and provides fair opportunities for all eligible businesses to participate.

Strategies listed concerning this objective: Assist business to create or retain jobs for low- and moderate-income persons, by providing technical assistance, and/or CDBG loans and loan guarantees;

THRESHOLD REQUIREMENTS -

1. Proposed projects must be consistent with CDBG Program Regulations.
2. Proposed projects must be consistent with Consolidated Plan objectives and policies.
3. Proposed project will meet HUD's Public Benefit requirements.

EVALUTION CRITERIA - - (LISTED IN NO PARTICULAR ORDER)

1. The extent to which the project addresses a strategy in the Consolidated Plan.
2. The ability of the project to be completed in one year.
3. The agency's responsiveness to community and client needs.
4. Projects under \$50,000 are discouraged.
5. The extent that all geographic areas and participating jurisdictions benefit fairly from CDBG- and HOME-funded activities over the three-year agreement period, so far as is feasible and within the goals and objectives of the Consolidated Plan.
6. The extent to which the project meets a specified need or a geographic sub-region as identified in the Request For Proposal (RFP).

Contents of PART VI

- Part VI A – Project Information
- Part VI B – Project Benefit
- Part VI C --Performance Measures
- Part VI D -- Budget Technical Assistance
- Part VI E – Schedule – Technical Assistance
- Part VI F – Project Team

Micro-enterprise

CDBG funds can be used to provide financial assistance of virtually any kind to an existing micro-enterprise or to assist in the establishment of a micro-enterprise.

- Technical Assistance to a new or existing micro-enterprise or to developing a micro-enterprise
- General support to owners or to persons developing a micro-enterprise. This could include child care, transportation, counseling and peer support programs.

Definitions:

"Micro-enterprise" means a business having five or fewer employees, one or more of whom owns the business.

"Person developing a micro-enterprise" means any person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a micro-enterprise at the time it is formed.

This activity is not subject to public benefit if established as a separate program under 570.201(o). If such assistance is provided to owner/person developing a micro-enterprise who are not low to moderate-income persons, it would not qualify under Limited Clientele, but would need to meet the requirements of other subcategories (e.g. Area Benefit or Jobs). Reference 570.208*a)(2)(iii).

Small Business Loans

Small business loans shall meet the criteria for "special economic development activities" in the CDBG Program Regulations at 24 CFR Part 570.203 as well as the criteria for benefit to low- and moderate-income persons " in the CDBG Program Regulations at 24 CFR Part 570.208(a)(4).

The following criteria shall be used to determine applicant eligibility for small business loans:

- The applicant must qualify as a small business in accordance with Small Business Administration standards;
- The applicant's business must be located in one of the communities participating in the King County CDBG Consortium; and
- The applicant must not have access to traditional financing (ie the applicant is unable to qualify for a loan from a financial institution).

The following criteria shall be used to determine loan amounts and terms:

- Loans shall be made solely for working capital, equipment and inventory;
- The maximum loan amount shall be \$50,000;
- The maximum loan term shall be 5 years;
- A 1 to 2% loan fee shall be charged to borrowers, based on loan amount, and paid at closing. Loan fees may not be paid from loan proceeds.
- Interest rates shall be negotiated based on risk.

Community Development Interim Loans (CDIL) and Section 108 Loans

CDILs and Section 108 Loans to private for-profit businesses shall meet the criteria for "special economic development activities" in the CDBG Program Regulations at 24 CFR Part 570.203 as well as the criteria for benefit to low- and moderate-income persons " in the CDBG Program Regulations at 24 CFR Part 570.208(a)(4). CDILs and Section 108 Loans to private for-profit businesses shall also meet criteria in the Consolidated Plan, Section VI, D.

CDILs and Section 108 Loans to nonprofit organizations or local governments shall meet the criteria for an eligible activity in the CDBG Program Regulations at 24 CFR Part 570.201 as well as the criteria for benefit to low- and moderate-income persons in the CDBG Program Regulations at 24 CFR Part 570.208(a)(1) or (2). CDILs made to nonprofit organizations or local governments shall also meet the

criteria set forth in the Consolidated Plan, Appendix B, Policy 15. Section 108 Loans made to non-profit organizations or local governments shall also meet the criteria set forth in the Consolidated Plan, Appendix B, Policy 16.

Loan Commitment Conditions for CDILs

Loan commitments for CDILs and Section 108 Loans that meet the following criteria shall include the following conditions, as applicable:

a) Environmental Review

Commitments for loans which will be used in whole or in part for acquisition of real property, construction and/or expansion of existing operations shall include a condition prohibiting the applicant from committing any funds for implementation of the project and altering the project site until HCD obtains release of funds from HUD.

Commitments for loans that will require a consultant study in order to complete the environmental review record shall include a condition requiring the applicant to submit the required studies at its own cost and, if ESA section 7 review is required, a condition requiring the applicant to pay for review by the County's ESA Policy Coordination Office.

If additional studies regarding Section 106 Historic Preservation review is required by the State Historic Preservation Office (SHPO) a condition of the award of funds would require the applicant to submit all plans, reports, and studies required by the SHPO at the agency's own cost.

b) Loans for Community Facilities and Housing

Commitments for loans to nonprofit organizations which will be used in whole or in part for acquisition, construction or rehabilitation of community facilities or housing shall include conditions requiring the applicant to restrict the use of the property to certain CDBG eligible uses for the period of time required by the Consolidated Plan and to grant the County a secured interest in the property by executing a promissory note, deed of trust and covenant at the time of closing in formats approved by the County. Commitments for loans for community facilities or housing shall additionally include conditions requiring the borrower to maintain client records required by CDBG Program Regulations and to submit to HCD a Project Beneficiary Data Form in a format provided by the County by January 31 of the year following the first full calendar year (January – December) after the project has been completed.

c) Acquisition

Commitments for loans that will be used in whole or in part for acquisition of real property shall include a condition requiring the applicant to comply with HCD directions to ensure compliance with the Uniform Relocation Act and implementing regulations.

d) Construction

Commitments for loans that will be used to pay in whole or in part for construction work shall include a condition requiring the applicant to submit draft construction bid specifications to HCD and to incorporate into the bid document and construction contract special conditions provided by HCD to ensure compliance with the Davis-Bacon Act, Copeland Anti-Kickback Act, Contract Work Hours and Safety Standards Act, Section 3 of the Housing and Community Development Act of 1968, Executive Order 12549 and Executive Order 11246 as amended and implementing regulations for each of these.

Continue to next page.

Responses to Questions:**A – PROJECT INFORMATION** for Economic Development and Micro-enterprise Activities

- A.1 Describe the proposed use of CDBG funds. *Insert text here*
- A.2 Describe the need or problem your project/program is designed to address? Quantify this need using verifiable local or regional data that confirm or describes the problem or need. How much of the need are you currently serving?
Insert text here
- A.3 Describe the process your agency uses to ensure the services are delivered by culturally competent staff in a culturally competent manner.
Insert text here
- A.4 Identify who will implement the project or program and briefly describe their qualifications.
Insert text here
- A.4.1 Attach resumes/CV of project team members
- A.5 Describe the population that will benefit from the project or program (if applicable, indicate the unduplicated number of persons or households that will be assisted in 2010).
Insert text here
- A.6 Eligibility - Per HUD Regulations, eligible clients must have an annual gross family income that does not exceed the HUD Moderate Income limits based on the applicable Family Size in the Housing and Urban Development (HUD) Income Guidelines as indicated in PART I.
Insert text here
- A.6.1 Describe how this requirement will be met and how it will be documented.

B PROJECT BENEFIT

- B.1 Describe the number of residents/businesses/organizations that will be served by the project by jurisdiction(s) as defined in Part I.
Insert text here
- B.2 Explain how the data in the project benefit worksheet was derived.
Insert text here
- Or -
- B.2.1 Provide a narrative response concerning consortium-wide benefits experienced through the program/plan.
Insert text here
- B.3 Describe how the project or program will be promoted to inform eligible clients/businesses about the availability of services.
Insert text here

C. PERFORMANCE MEASURES

C.1 Describe the scope of the proposed project or program.

Insert text here

C.2 Describe the Consolidated Plan Objective and Strategy(ies) the project/program addresses. What performance measures are used or will be used to measure the program/project effectiveness in long term goals.

Insert text here

C.3 Describe how the project is accessible or is working toward full accessibility in terms of:

C.3.1 Affordability

C.3.2 Transportation

C.3.3 Immediacy of services

Insert text here

C.4 For Micro-enterprise Activities: What technical assistance will be offered to assist small business or person(s) interested in establishing a business?

Insert text here

C.4.1 What general support will be offered through your program, please describe.

Insert text here

C.4.2 What will be measured and how will performance measures be reported?

Insert text here

C.4.3 What other activities does the agency perform -- how will the micro-enterprise program be delineated from those programs and/or services?

Insert text here

C.4.4 What is the target population for these funds?

Insert text here

PART VI – Economic Development Application**2011 CDBG Capital Application**

C.5 Measurable Outputs: Provide indicators of jobs created/retained or individuals served before and after project completion

Borrower Name:**Period:**

	Interest Rate	Amortization Period (months)	Amount
CDBG Direct Loan			
<i>CDBG Deferred Payment Loan</i>			

	Total Job Count		Total Hours		Percent of Jobs
	F/T	F/T – LM	P/T	PT – LM	Low/Mod
Expect to Create:					
Expect to Retain:					
Actually Created:					
Actually Retained:					

C.6 Measurable Outputs: (Micro-enterprise)

	1 st qtr goal	2 nd qtr goal	3 rd qtr goal	4 th qtr goal	Jan - Dec (cumulative)
<i>[Modify as needed to represent your project's targeted objectives]</i>					
Samples:					
Business owners					
New Businesses Created					
Child Care Services					
Transportation					
Counseling					
Peer Support Programs					
Financial Assistance	\$	\$	\$	\$	\$

D Budget – Economic Development

D.1 Line item budget:

Indicate funding Status with corresponding letter: “A” – anticipate submitting an application in future grant RFP process; “S” - submitted application, award unknown; “C” – funds are committed.

Item	CDBG Funds	Other Funds	Status	Total Funds
Environmental Review	\$4,000	\$		\$
Personnel Services (detail below)	\$	\$		\$
Office or Operating Supplies	\$	\$		\$
Consultant or Purchased Services	\$	\$		\$
Communications	\$	\$		\$
Travel and Training	\$	\$		\$
Other (specify below):	\$	\$		\$
Financial Assistance	\$	\$		\$
Total Project Budget:	\$	\$		\$

D1.1 Describe sources and time-frames of Other Funds

Insert text here

D.2 Personnel Detail (add rows as necessary)

Personnel Detail			
Position Title	Position Full Time Equivalent	Annual Salary and Benefits	CDBG Funds
		\$	\$
Total:		\$	\$

D.2.1 How many hours per week constitute full-time employment for a FTE?

Insert text here

D.3 Reduction Options -- Can your project or program be funded a reduced level if necessary?

Yes ☐ No ☐ Minimum amount needed to make project viable: \$_____

D.3.1 If yes, indicate what amount of funding is the minimum that would be required in order to be successful in the project activity but at a reduced level?

D.3.2 Explain what element of your project/program be modified to address this reduction?

Insert text here

E – Timeline or Milestones - Economic Development

(Modify Milestones and completion as needed.)

Milestones	Projected Completion Date
Environmental Review	
Closing Documentation Submitted	December, 2011
Project Completion Report Filed w/HCD Staff	December, 2011
Project Closed	December, 2011

Or

Milestones	Projected Completion Date
Receipt of award	January 1, 2011
Outreach begins	January 2011
___new unduplicated persons receive business intake/assessment	January 2011
___ unduplicated persons receive business development training	March 2011
___unduplicated persons receive business technical assistance and peer lending services	March 2011
___ unduplicated persons receive individual technical assistance to strengthen business plans	March 2011
___unduplicated persons receive business intake/assessment	June 2011
___unduplicated persons receive business development training	June 2011
___unduplicated persons receive individual technical assistance to strengthen business plans	June 2011
___unduplicated persons receive business intake/assessment	September 2011
___unduplicated persons receive business development training	September 2011
___unduplicated persons receive individual technical assistance to strengthen business plans	September 2011
___unduplicated persons receive business intake/assessment	December 2011
___unduplicated persons receive business development training	December 2011
___unduplicated persons receive individual technical assistance to strengthen business plans	December 2011
All Funds Expended	December 31, 2011
Project Closeout	December 31, 2011

F. PROJECT TEAM

Provide the name of the consultant or staff person who will perform the following tasks. Please note that consultants paid for with CDG funds must be selected through a competitive process and in accordance with 24 CFR Part 84 (nonprofit organizations) and 24 CFR Part 85 (local governments). If any of the tasks will be performed by a consultant, indicate who in your agency will be responsible for selecting the consultant.

Complete all of the following:

Prepare and submit CDBG Grant Application:

Consultant Agency: _____ Contact: _____

E-mail: _____ Phone: _____

Applicant Staff responsible for consultant selection process: _____

E-mail: _____ Phone: _____

Respond to environmental review questions:

Consultant Agency: _____ Contact: _____

E-mail: _____ Phone: _____

Applicant Staff responsible for consultant selection process: _____

E-mail: _____ Phone: _____

Project Manager:

Consultant Agency: _____ Contact: _____

E-mail: _____ Phone: _____

Applicant Staff responsible for consultant selection process: _____

E-mail: _____ Phone: _____

Financial Officer:

Consultant/3rd Party Agency: _____ Contact: _____

E-mail: _____ Phone: _____

Applicant Staff responsible for consultant selection process: _____

E-mail: _____ Phone: _____